

# Cost of Unauthorized Federal Operations Equals Income-Tax Bite

## How Big Is the Problem?

Research has revealed more than 700 federal agencies which — in one way or another — operate business-type activities without Constitutional authority. These range from loans for Eskimo dwellings to jungle road-building in Nicaragua; from operating sugar and coffee cartels to the manufacture of ladies' underwear.

## How Much Does This Cost?

The losses of these unauthorized functions — plus the hidden costs of payroll, services, space, capital, and interest — amount to more than the money collected by federal personal income taxes. In 1959, these activities cost us more than \$44 billion, compared with \$39 billion collected in income, estate and gift taxes during the same year.

## Can This Be Proven?

Yes. Over 21 years of research have produced an endless volume of supporting evidence. Losses have been effectively estimated by examining the Government's own records — th U.S. Budgets, Government Organization Manuals, Audit Reports and Hoover Commission Reports.

## What Can Be Done?

The proposed Liberty Amendment — its full text shown herein — will end all federal business-type enterprises not specified in the Constitution. After a 3-year liquidation period, the personal income and withholding taxes will be repealed.

## Where Will Necessary Revenue Come From?

Excise and corporation taxes, duties, imposts and other miscellaneous receipts will provide ample revenue to finance national defense, the Post Office, and other legitimate activities specified in the Constitution.

## No Need For Replacement Revenue

By eliminating all federal programs NOT specified in the Constitution, annual federal budgets will be cut in half. When government expenditures are halved, revenue can be cut by a like amount. Thus the Liberty Amendment is fiscally responsible since the NEED for the personal income tax is removed before the 16th Amendment is repealed.

## Where Can Budget Be Cut?

Americans are aware that "foreign aid," farm subsidies, public power and other pork-barrel projects are extremely costly to the taxpayers and do not achieve the vaunted results claimed by the politicians. The Liberty Amendment will compel Congress to use the Constitution in evaluating every present and future federal program. Those which do not meet its clear and specific language will either be eliminated or turned over to tax-paying private operation under State administration.

## What About Defense?

The defense of the nation is made mandatory upon Congress by the Constitution. Yet, we know that some of our best and most critical weapons systems have been eliminated, air and military bases and navy yards are being closed wholesale, and inferior equipment is being supplied to our fighting men overseas according to their own reports from the battlefield. All this in the name of "economy" while new billions are appropriated for political "wars on" this and that.

Within the Defense Department alone, a Congressional committee discovered, a few years ago, some 19,000 businesses not directly related to military activity. These are businesses more efficiently operated by private companies which would be paying taxes into treasuries at every governmental level, instead of costing the taxpayers money.

These non-military costs amount to about half the annual defense budget. By eliminating them, the Liberty Amendment will insure a much stronger defense posture.

industrial enterprise except as specified in the Constitution.

SECTION 2. The constitution or laws of any state, or the laws of the United States shall not be subject to the terms of any foreign or domestic agreement which would abrogate this amendment.

SECTION 3. The activities of the United States Government which violate the intent and purposes of this amendment shall, within a period of three years from the date of the ratification of this amendment, be liquidated and the properties and facilities affected shall be sold.

SECTION 4. Three years after the ratification of this amendment the sixteenth article of amendments to the Constitution of the United States shall stand repealed and thereafter Congress shall not levy taxes on personal incomes, estates, and/or gifts.

This proposed amendment to the U.S. Constitution is now pending in Congress as H.J. Res. 23. It has been approved by Resolution in the State Legislatures of Wyoming, Texas, Nevada, Louisiana, Georgia, South Carolina and Mississippi.

For further information on the Liberty Amendment: write to Liberty Amendment Committee, 6413 Franklin Ave., Los Angeles, California.

## MORE ON SOCIAL SECURITY

To the Editor,  
Sunday Herald:

Since you published my letter, "FACTS ON THE SS TAX," I have been inundated with letters and phone calls asking me how I could make the startling statement that the SOCIAL SECURITY PROGRAM is (and I quote from my letter which you published in full) "A MAJOR TOOL IN THE SOCIALIZATION-COMMUNIZATION of America."

I would deeply appreciate your publishing the following facts which support that conclusion and statement:

Here goes. Social Security a tool to communize America? Sounds ridiculous, doesn't it? Take a good look at the following facts. THEN THINK IT OVER!

FACT: Communist Karl Marx published his Ten Point Communist Manifesto about 1848 containing the steps to be taken to "COMMUNIZE — MEANING TO "SOCIALIZE" THE WORLD.

FACT: Two of these points are pertinent. (1) "A GRADUATED, PROGRESSIVE INCOME TAX" — and (2) "ABOLITION OF THE RIGHT OF PRIVATE PROPERTY INCLUDING RIGHT OF INHERITANCE." (This Manifesto also called for abolition of religion, for raising all children in State (public) schools, for an end to the Family unit — end to nationalism and patriotism, etc.).

FACT: Marx, and Socialists since, have followed the doctrine "from each according to his ability, to each according to his need."

FACT: President Lyndon Johnson has stated in at least one public speech: "WE SHALL TAKE FROM THE HAVES TO GIVE TO THE HAVE-NOTS WHO NEED IT SO MUCH."

Pure socialist-communist doctrine!

FACT: We do have an income tax. It IS graduated. It is "progressive" (ly higher!) I refer to the Federal Income Tax, and in some

states we also have a State Income Tax, plus a City Income Tax in a few localities.

FACT: The compulsory Social Security Tax is a TAX on earned income or wages presently up to \$6,600 per year. IT IS THUS AN INCOME TAX.

FACT: The Social Security Tax is actually a DOUBLE TAX ON INCOME. How? Each employer also has to pay this compulsory payroll tax on each employee's account. This places double tax on each \$6,600 of wages or income earned.

FACT: The Social Security Tax thus is not only AN INCOME TAX, it is also a "progressive income tax." This tax started at \$60 per year; is now \$580 per year; is scheduled to go to \$745 in 1987 under the present law; and, under Johnson's 1967 requests, if approved, will go to \$780 in 1969 and to \$1,252.80 per year in 1987. IF THAT ISN'T A PROGRESSIVELY HIGHER TAX . . . WHAT DO YOU CALL IT ? ? ?

FACT: We do have both a Federal and a State Inheritance Tax. And they take progressively heavier bites out of a person's estate after death, making it more and more difficult for people to inherit what parents have worked so hard to build up.

FACT: Constantly rising inflation, and taxes at all levels, are making it more and more difficult for people to save, to maintain their insurance programs, both items of PRIVATE PROPERTY. Also, an increasing number of people are finding it impossible to maintain an existing home . . . have to sell it . . . often at a loss . . . to move into less expensive housing in order to keep their heads above the rising tax and inflation's tax.

FACT: Many people laughed when former Russian Communist Premier Khrushchev told us "We will bury you" — and "Your grandchildren will live under Communism."

FACT: Others have said "feed the Americans small doses of Socialism so they won't realize what's happening and one day they will wake up to find themselves under Communism." (TOTAL GOVERNMENT).

Funny Man that Khrushchev! Funnier people these Americans! "CAN'T HAPPEN HERE" they say! And just because they won't see it, won't believe, won't think about it, and apparently won't—or don't want to—do anything about it, we will be under communism — you and I — well before our children or grandchildren face it.

The only point which so many seem to miss entirely these days, is that those individuals who put through the Federal Reserve System for private control of our money, did so AFTER getting the Federal Income Tax passed in 1913, and setting up the TAX-EXEMPT havens through which they could march right along to ultimate domination of the whole world VIA MONEY POWER AND CONTROL THAT THIS BRINGS OVER INDIVIDUALS, ORGANIZATIONS, AND GOVERNMENTS — without being in the least bit hampered by the rules for income tax etc., which they so carefully slipped around the necks of the American people.

Take a good look, folks. If you want total government dictating every step you take throughout your life . . . then don't do anything to stop it. Otherwise, your pens, pencils or typewriters and flood Congress with letters constantly. Being politicians, they will listen speedily enough if the mail is heavy enough! — J.S.

## Read and Be Informed

**Communist Socialist Propaganda in American Schools** by Verne Kaub.

(Recently reprinted). Exposes the real power behind the monstrous National Education Association ----\$1.00

**Collectivism Challenges Christianity**

By Verne Kaub. Exposes callous frauds in the collectivist ideology so often promoted in the church-sponsored conferences -----\$1.00

**Protocols of the Learned Elders of Zion,**

translated from the Russian by Victor E. Marsden. Proof there is a Jewish world plot. -----\$1.00

**Federal Reserve Conspiracy** by Eustace Mullins. Exposes Federal Reserve

plot -----\$1.00

**Blame Metro** by Jo Hindman

(Just off the press). Starting where 1313 left off, Jo Hindman pursues the activities of the metropolitan government, updates Metro and master control devised by the 1313 clique of would-be managers of the American people. Abundant data. ....\$1.75

**Terrible 1313 Revisited** by Jo Hindman

Compilation of speeches and articles with Metro chart. -----\$2.00

**Lawyers Without Law**, by Mary Davison.

Lifts the curtain on the new "International Law Treaty," which was composed by the International Law Commission, arm of the UN.. This UN LAW OF THE WORLD would end Constitutional Law. ----- .40

## FULL TEXT OF THE LIBERTY AMENDMENT

SECTION 1. The Government of the United States shall not engage in any business, professional, commercial, financial or